

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In Re:	Case No.:	17-20755 (KCF)
ALEXANDER J. FIGLIOLIA,	Chapter:	7
Debtor.	Judge:	Kathryn C. Ferguson

NOTICE OF PROPOSED COMPROMISE or SETTLEMENT OF CONTROVERSY

Andrea Dobin, Chapter 7 Trustee, in this case proposes a compromise, or to settle a claim and/or action as described below. If you object to the settlement or compromise, you must file a written objection with the Clerk of the United States Bankruptcy Court, and serve it on the person named below not later 7 days before the hearing date.

Address of the Clerk:	United States Bankruptcy Court 402 East State Street Trenton, New Jersey 08608
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If an objection is filed, a hearing will be held before the Honorable Kathryn C. Ferguson on January 25, 2022 at 10:00 a.m. at the United States Bankruptcy Court, Courtroom No. 2, 402 E. State Street, Trenton, NJ 08608 (hearing to be scheduled for at least 28 days from the date of the filing of the notice). If no objection is filed the clerk will enter a *Certification of No Objection* and the settlement may be completed as proposed.

Nature of action: On July 11, 2017, the Department of the Treasury – Internal Revenue Service (the “IRS”) filed a proof of claim asserting a secured claim against, <i>inter alia</i> , the real and personal property located at 105 Middletown Road, Holmdel, New Jersey belonging to the estate, as well as, Ms. Figliolia (the “Assets”) in the amount of \$3,422,880.45. See Claim No. 6-1. On May 5, 2021, the IRS filed an amended proof of claim reducing the amount of the asserted secured portion of their claim to \$1,172,085.41. See Claim No. 6-5. The State of New Jersey – Division of Taxation (the “State of New Jersey”) has also asserted a lien against the Assets, and on September 11, 2017, the State of NJ filed a secured claim (Claim No. 10) in the Debtor’s bankruptcy case in the amount of \$602,883.32.
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Pertinent terms of settlement: In an effort to have the Assets sold and provide a benefit to the IRS and the State of NJ, as well as, creditors of the Debtor’s estate, the IRS and the State of NJ have agreed that \$100,000 of the Net Proceeds will be retained by the bankruptcy estate to be distributed in accordance with 11 U.S.C. § 726. The proposed consent order provides for a distribution that would otherwise not be available, given the extent of the liens of both the IRS and the State of NJ’s, absent such an agreement, as well as, avoiding a 11 U.S.C. § 506(c) fight involving both of the taxing authorities.. The Trustee believes that the agreement with the IRS and the State of NJ, which has reduced to money property of the estate, is in the best interests of the estate and its creditors.

Objections must be served on, and requests for additional information directed to:

Name: Joseph R. Zapata, Jr., Esq., Counsel to the Trustee

Address: McManimon Scotland & Baumann, LLC, 427 Riverview Plaza, Trenton, NJ 07950

Telephone No.: (973) 681-7979